

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

COMMITTEE ON STATE ADMINISTRATION

Call to Order: By **CHAIRMAN DEBBY BARRETT**, on February 6, 2003 at 8 A.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Rep. Debby Barrett, Chairman (R)
Rep. Dee Brown, Vice Chairman (R)
Rep. Larry Jent, Vice Chairman (D)
Rep. Norman Ballantyne (D)
Rep. Arlene Becker (D)
Rep. Sue Dickenson (D)
Rep. Carol Gibson (D)
Rep. Daniel S. Hurwitz (R)
Rep. Hal Jacobson (D)
Rep. Ralph Lenhart (D)
Rep. Alan Olson (R)
Rep. Bernie Olson (R)
Rep. Don Roberts (R)
Rep. Clarice Schrumpf (R)
Rep. Frank Smith (D)
Rep. Pat Wagman (R)
Rep. Jonathan Windy Boy (D)
Rep. Cindy Younkin (R)

Members Excused: Rep. Larry Lehman (R)

Members Absent: None.

Staff Present: Sheri Heffelfinger, Legislative Branch
Joan Reiman, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: HB 431; HB 450; HB 461
Executive Action: None

HEARING ON HB 431

Sponsor: REP. BOB LAWSON, HD 80, Flathead County

Opening Statement by Sponsor:

REP. BOB LAWSON said the city of Whitefish wants to buy back the Armory they sold the state in 1957 for \$1; they will pay market value, but they want special consideration. He did not sign the fiscal note because the appraised value is not right. The National Guard is leaving Whitefish and the city could use the building for a multi-purpose site; it is adjacent to a park. A precedent was set when Plentywood and Poplar de-activated armories and transferred them to the city. He gave out a copy of MCA 77-2-351.

EXHIBIT (sth26a01)

{Tape: 1; Side: A; Approx. Time Counter: 0 - 7}

Proponents' Testimony:

Gary Marx, City Manager, Whitefish, said the Guard wants to sell the Armory to finance a new one in Kalispell. The property is deteriorating. It was appraised at \$190,000 but that is too high. The zoning was changed to agricultural. They would demolish the building and name the park after citizen Roy Duff.

Bill Gile, Chief of Police, Whitefish, said they can share the facility with many community groups. It could be a staging area for security, border patrol, etc. It represents history and tradition for the community.

Brad Johnson, City Judge, Whitefish, said it is now used as depot storage. He urged equity in giving the city first right of refusal. He provided an exhibit.

EXHIBIT (sth26a02)

Tom Moore, Whitefish resident, said they should honor Roy Duff's generation. He supports the bill.

Dan Kaiser, Whitefish Parks and Recreation Director, said youth and adult services are constrained by overcrowding and lack of funds. They could use the building for a latchkey program.

{Tape: 1; Side: A; Approx. Time Counter: 7 - 34.2}

Opponents' Testimony:

Ralph Decunzo, Attorney, Department of Military Affairs, said they want to reduce payments to the general fund by sale of the property.

{Tape: 1; Side: A; Approx. Time Counter: 34.2 - 34.3}

Informational Testimony:

Lt. Col. James Moran, Department of Military Affairs, was present to answer questions.

Questions from Committee Members and Responses:

REP. YOUNKIN asked Mr. DeCunzo if this same thing could happen so that Bozeman could buy their armory. **Mr. DeCunzo** said that it could, but the Bozeman Armory was donated by private funds. **REP. BROWN** asked **REP. LAWSON** to explain the fiscal note, the Enabling Act, and its mandate. He replied that he was not sure if it is in conflict. He said they are not asking to buy it back for the \$1 they sold it for. They would seek a transfer through the State Land Board.

REP. BROWN asked the sponsor if there was anything to keep the city from buying it at market value. **REP. LAWSON** replied there is not, but they want a lower cost, or maybe to swap for it.

REP. SMITH asked Mr. DeCunzo about the fiscal note, why the debt service so high on a building that old. **Mr. DeCunzo** replied that the fiscal note was based on the cost of building a new facility, it is not the present value.

REP. WAGMAN asked Mr. Marx why they re-zoned it. **Mr. Marx** replied that industrial was not appropriate; they wanted to restrict zoning to prevent scrap metal junk yards there. **REP. WINDY BOY** asked the sponsor why Page 4, Line 3 mentioned "Bozeman." **REP. LAWSON** replied that the original legislation affected armories in both Whitefish and Bozeman. **REP. A. OLSON** asked Mr. Marx how re-zoning affected the value. **Mr. Marx** replied he did not know; it was for sale for two years before they re-zoned, and it did not sell. **REP. OLSON** asked if the industrial zoning appraised higher than agricultural. **Mr. Marx** replied that it did.

REP. JENT asked Lt. Col. Moran about the technical notes not agreeing with the Enabling Act. **Lt. Col. Moran** referred to MCA 77-2-351. **REP. JENT** asked whether the Enabling Act is federal law concerning who owns what. He replied that did not know.

REP. BALLANTYNE asked **REP. LAWSON** to clarify how Poplar transferred back their armory. **REP. LAWSON** read from a letter from Mr. DeCunzo. Some cities built in language that once the armory was deactivated, it would be transferred back. **REP. BALLANTYNE** asked Mr. DeCunzo if the land was transferred by contract. **Mr. DeCunzo** replied that it was not, and the only reason they oppose this bill is the impact to the general fund. The city of Plentywood worked with him, and there was no reversion clause; in Poplar, it went to the Reservation. **REP. SMITH** asked him if Military Affairs didn't have to put money into demolishing the Poplar armory. **Mr. DeCunzo** agreed, and added that only the land was transferred for free.
{Tape: 1; Side: A; Approx. Time Counter: 34.3 - 52.8}

Closing by Sponsor:

REP. LAWSON said he would work with members to make this bill acceptable.
{Tape: 1; Side: A; Approx. Time Counter: 52.8 - 55}

HEARING ON HB 450

Sponsor: **REP. BRAD NEWMAN, HD 38, Butte**

Opening Statement by Sponsor:

REP. NEWMAN said the Clerks of District Court asked him for a change in fees charged to cover operating expenses. He gave out proposed amendments which strike the first seven pages; which relates to SB 176 from last session. He explained the sections. Money from marriage licenses goes back to the state.

EXHIBIT (sth26a03)

{Tape: 1; Side: B; Approx. Time Counter: 0- 0.5; Comments: inaudible}

Proponents' Testimony:

Lori Maloney, Clerks of Court, Butte, and Montana Association of District Courts (MADC), said fees have not changed since 1987. Divorce decrees run up to 25 pages now. Free search requests have increased since 9-11-01.

Harold Blattie, MACo, said Cascade and Yellowstone Counties also support the bill.

Mary Phippen, MADC, said district courts charges are lower than the county's. She submitted written testimony.

EXHIBIT (sth26a04)

Linda Stoll, Representing Missoula County, said costs should be placed on those who are using the service, otherwise property taxes have to cover that cost.

{Tape: 1; Side: B; Approx. Time Counter: 0 - 3.7}

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

REP. YOUNKIN asked **Ms. Maloney** if the fees had not changed since 1987, could the public check out a file and copy it themselves. **Ms. Maloney** said they only let attorneys do that.

CHAIRMAN BARRETT said the state received federal money for homeland security. In regard to requests for background checks, maybe they could get funds there. **Ms. Maloney** said they do the search for records at no charge, mostly for private companies for job checks. **REP. ROBERTS** asked why they did not ask for a higher fee than just to cover costs, so that when costs inch up over the next 20 years, it will be covered.

{Tape: 1; Side: B; Approx. Time Counter: 3.7 - 7.4}

Closing by Sponsor:

REP. NEWMAN noted the possibility of property tax relief by lowering costs of running the district court. He is asking committee members **REP. JENT** or **REP. YOUNKIN** to carry Amendments.

{Tape: 1; Side: B; Approx. Time Counter: 7.4 - 8}

HEARING ON HB 461

Sponsor: **REP. DAVE GALLIK, HD 52, Helena**

Opening Statement by Sponsor:

REP. GALLIK said this bill was complementary to HB 13, which offered no pay increase. In 1993, the law which is now MCA 2-18-301, provided for market-based compensation based on salary surveys. But the state is still not taking care of many difficult-to-recruit-for jobs; it is 15% behind even with this 4%

raise, he said. Increased health costs are eating up the last raise. Appropriations will be addressed in HB 2. He introduced a bill to the House Taxation Committee to pay for this, he testified.

{Tape: 1; Side: B; Approx. Time Counter: 8 - 16.3}

Proponents' Testimony:

John Morrison, State Auditor, testified government should operate like a business by competitively attracting employees.

(Questions for Mr. Morrison, are below at Tape: 1; Side: B; Approx. Time Counter: 16.3 - 18.)

Tom Schneider, Montana Public Employees Association (MPEA), provided written testimony and stated his support.

EXHIBIT (sth26a05)

Todd Lovshin, MEA/MFT, said state employees' dependent health coverage will cost \$60 per month more in the newest benefits plan.

Cathy Burwell, CEO, Helena Chamber of Commerce, supports the bill. She said 35% of Helena's economy is from the state, and 62% of basic industries here are supported by state business.

Jackie Andrich, Child Support Enforcement, Butte, testified in support. They get federal matching money for money they collect for child support.

John Holbrook, State Auditor's office, said he came from private sector insurance sales. He provided a Report from the National Association of Insurance Commissioners to show Montana pays 49th for Complaint Analyst, his job.

EXHIBIT (sth26a06)

Paul Haber, University Faculty Association, said it is a myth that morale can be maintained with no increase in pay when workload increases.

Debra Edsel, Child Support Investigator, Butte, supports. She spoke on behalf of co-worker, Marilyn Irey.

Laura Hinck, Department of Agriculture, said this is a big agricultural state; there is a lot of work the department does. She said she is doing two full-time jobs, etymologist and now, GIS person.

{Tape: 1; Side: B; Approx. Time Counter: 22.5 - 54.4}

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

REP. BROWN asked how many people in his agency have second or third jobs. **Mr. Morrison** was not sure, but they have lost employees; he will get a list for her. **REP. JENT** asked what the consumer price index (CPI) would be per annum. **Mr. Morrison** was not sure, probably less than 4%. **REP. JENT** asked him if it were at least more than zero percent. He agreed. **CHAIRMAN BARRETT** asked him, after their budget reverted to year 2000 level, what priorities his agency put in for. He replied that their budget hearing is tomorrow.

{Tape: 1; Side: B; Approx. Time Counter: 18 - 22}

*(Questions were taken out of order for **Mr. Morrison** because he had to leave early.)*

REP. BROWN asked which teachers were referred to on Line 5. **REP. GALLIK** deferred to **Mr. Lovshin**. The teachers at Warm Springs and correctional facilities such as Pine Hill are the ones in the state pay plan. **REP. ALAN OLSON** asked if there was no fiscal note. **REP. GALLIK** replied not, because each agency would pay through their budget as on Page 15 of the bill. **REP. A. OLSON** asked if it would come from existing budget. **The sponsor** replied that they would need more. **REP. OLSON** asked, if the agency did not have the money, might it have to cost some their jobs. **REP. GALLIK** hoped it will not go that way. **REP. OLSON** said he realized some need a pay raise, but asked if this were equitable. **The sponsor** replied, "Yes."

REP. YOUNKIN asked **REP. GALLIK** what bill he authored in Tax Committee. It was HB 476. She asked if he would see it as a friendly amendment to coordinate with that bill. **REP. GALLIK** preferred not; that is a potential alternative, but he does not want to limit options.

REP. YOUNKIN asked **Mr. Schneider** to correlate the figures on **Mr. Morrison's** exhibit to other state jobs, regarding the ratio of low-end to high-end wage. **Mr. Schneider** deferred to **Mr. McEwen**, who answered that usually it's a 30-40% range from entry to maximum, and market is at the mid-point. **REP. WINDY BOY** asked **Mr. McEwen** to compare HB 13 and HB 461. **Mr. McEwen** replied that HB 461 provides 4% a year increase for those on the state pay

schedule. To do that, it changes entry and market rates for wages. **REP. BERNIE OLSON** asked Mr. McEwen, if they added 4% to HB 13, would it come out the same as HB 461. He replied affirmatively. **CHAIRMAN BARRETT** asked Ms. Hinck, "You said agriculture is the largest business; what is the status of agriculture in Montana?" **Ms. Hinck** replied that she doesn't know.

CHAIRMAN BARRETT asked Mr. Lovshin to clarify the 15% figure. Was is that 15% could find better paying jobs, or was it that base salaries were 15% behind market. **Mr. Lovshin** replied, "The latter." She asked for more information about the high end of the wage scale before they take executive action, and he agreed to produce it.

REP. WAGMAN asked sponsor if he would support a pay-raise bill funded by a reduction in force. **REP. GALLIK** replied that it is one of many options; there are better options. **REP. WAGMAN** asked **Mr. McEwen**, who replied that he could answer only personally, and the answer would be no. **REP. BECKER** asked **Mr. Lovshin** if the 15% behind market applied to average salaries. The answer was yes.

{Tape: 1; Side: B; Approx. Time Counter: 54.4 - 66}

{Tape: 2; Side: A; Approx. Time Counter: 0 - 12.8}

Closing by Sponsor:

REP. GALLIK said this bill has broad support. He recognized difficulties in funding, but said the law requests that they do this.

{Tape: 2; Side: A; Approx. Time Counter: 12.8 - 17.7}

ADJOURNMENT

Adjournment: 10:35 A.M.

REP. DEBBY BARRETT, Chairman

JOAN REIMAN, Secretary

DB/JR

EXHIBIT (sth26aad)